

Annual



Report of the

**FEDERAL
SECURITY
AGENCY**

1948

Bureau of Employees' Compensation

FEDERAL SECURITY AGENCY

OSCAR R. EWING, *Administrator*

BUREAU OF EMPLOYEES' COMPENSATION

WM. McCauley, *Director*

WILLIAM B. DRISCOLL, *Deputy Director*

SAMUEL S. LOWE, *Deputy Director*

CLYDE R. MIDDLETON, *Executive Officer*

DEPUTY COMMISSIONERS AT DISTRICT OFFICES

First Compensation District.....	209 Washington Street, Boston, Mass.
Second Compensation District.....	641 Washington Street, New York 14, N. Y.
Third Compensation District.....	42 South Fifteenth Street, Philadelphia 2, Pa.
Fourth Compensation District.....	Room. 632, Post Office Building, Baltimore, Md.
Fifth Compensation District.....	Rooms 423-427 Post Office and Court-house, Norfolk, Va.
Sixth Compensation District.....	404 Lynch Building, Jacksonville 2, Fla.
Seventh Compensation District.....	815 Masonic Temple Building, New Orleans 12, La.
Eighth Compensation District.....	502 United States Post Office Building, Galveston, Tex.
Ninth Compensation District.....	525 Federal Building, Cleveland 14, Ohio.
Tenth Compensation District.....	433 West Van Buren Street, Chicago 7, Ill.
Thirteenth Compensation District.....	630 Sansome Street, San Francisco 11, Calif.
Fourteenth Compensation District.....	905 Second Avenue Building, Seattle 4, Wash.
Fifteenth Compensation District.....	407 Hawaiian Trust Building, Honolulu 48, T. H.
Caribbean Compensation District.....	Building "L", PRRA Buildings, San Juan, P. R.
Western Pacific District, Manila, Philippine Islands.	c/o Civilian Personnel Section, PHILCOM, APO 900, c/o Postmaster, San Francisco, Calif.

DISTRICT OF COLUMBIA WORKMEN'S COMPENSATION ACT

Deputy Commissioner.....	Federal Security Building, Fourth Street and Independence Avenue SW., Washington, D. C.
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Letter of Transmittal

FEDERAL SECURITY AGENCY,
BUREAU OF EMPLOYEES' COMPENSATION
Washington, D. C. November 1, 1948.

The Honorable OSCAR R. EWING,
Federal Security Administrator.
(Through the Commissioner for Special Services)

DEAR MR. EWING:

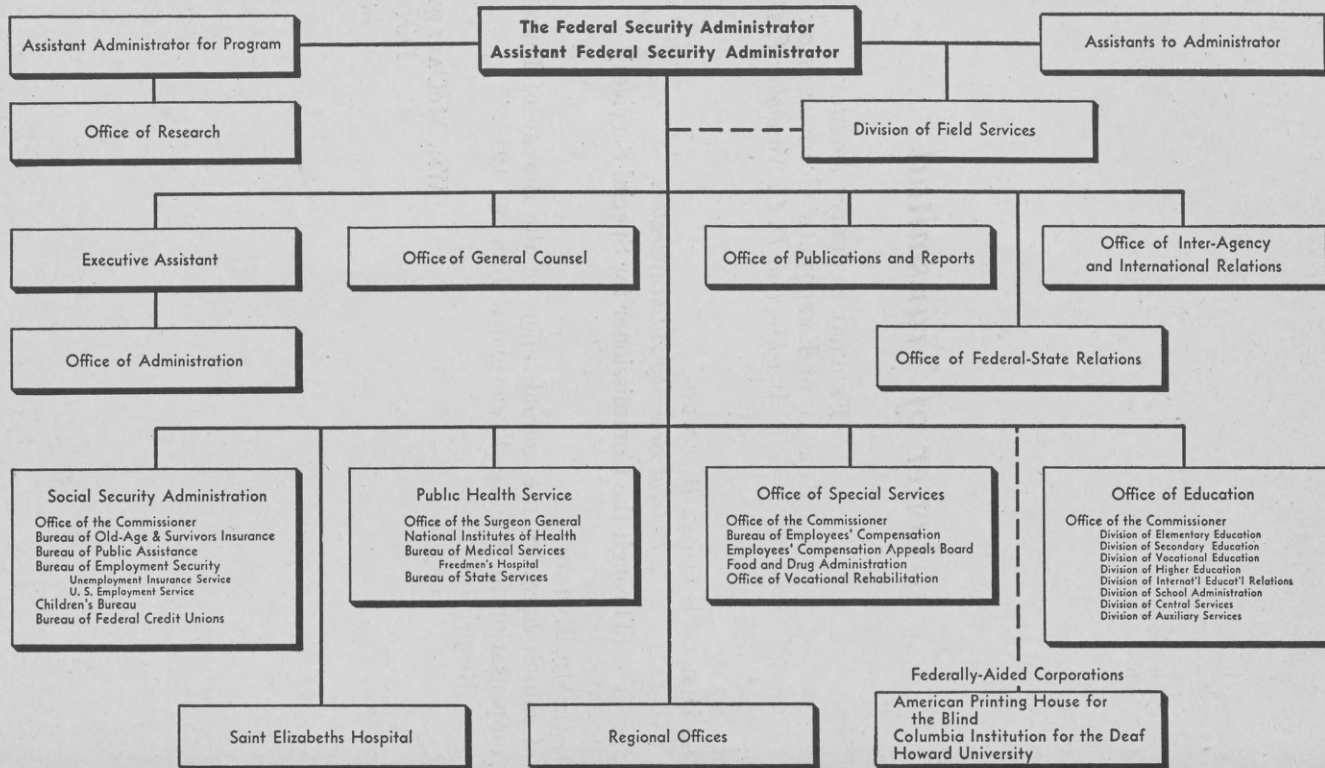
I submit herewith the annual report of the Bureau of Employees' Compensation for the fiscal year ended June 30, 1948.

Respectfully,

WM. McCAULEY,
Director.

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Federal Security Agency



Federal Security Agency

The Federal Security Agency was established on July 1, 1939, by Reorganization Plan No. 1 of 1939. The objective of the Plan, the President said, was to group together those agencies of the Government whose major purpose was to promote social and economic security, educational opportunity, and the health of the citizens of the Nation. Among the agencies so grouped by that Plan and by Reorganization Plan No. 2 of 1939 were the Social Security Board (including the United States Employment Service), the Office of Education, the Public Health Service, and the Federal functions of the American Printing House for the Blind.

Reorganization Plan No. 4 of 1940, effective June 30, transferred to the Agency the Food and Drug Administration, St. Elizabeths Hospital, Freedmen's Hospital, and the Federal functions relating to Howard University and to the Columbia Institution for the Deaf.

During the war the Agency became the center around which numerous war activities were developed. In addition to other war functions, the Federal Security Administrator became Chairman of the War Manpower Commission, established in September 1942. When the Commission was abolished at the end of the war, the United States Employment Service, transferred from the Agency to the Commission on its establishment, was then transferred to the Department of Labor.

The Agency was further expanded by Reorganization Plan No. 2 of 1946. Among other things this plan, effective July 16, abolished the Social Security Board and transferred to the Administrator all the functions of the Board and of its Chairman; transferred to the Agency the Children's Bureau with all its functions except those relating to child labor; and abolished the Employees' Compensation Commission and transferred its functions to the Administrator. As of the same date, the Administrator established the Social Security Administration, comprising the program bureaus formerly in the Social Security Board and also the Children's Bureau.

Legislative enactments of June 1948 again transferred the United States Employment Service to the Agency, as of July 1, and administration of the Federal Credit Union Act, as of July 29. The Employment Service was placed in the Bureau of Employment Security of the Social Security Administration, and the Bureau of Federal Credit Unions also was placed within that Administration.

The organization of the Agency at the close of the fiscal year 1948, plus the transfers effective in July, is shown on the accompanying chart.

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Bureau of Employees' Compensation

ONE OF THE most encouraging developments in the field of Federal workmen's compensation during the fiscal year 1948 was the legislation providing substantial increases in benefits to beneficiaries covered by the Longshoremen's and Harbor Workers' Compensation Act. In general the amendments establish maximum benefit levels 40 percent higher than the former provisions, and bring them closer to the demands of a sharply increased cost of living. Of particular import is the elimination of any aggregate maximum payment in instances of permanent total injury or death. Equally important is the fact that the maximum for other nonfatal cases has been increased to \$11,000 from the former ceiling of \$7,500. The amendments apply also to injured employees of private industry in the District of Columbia, and other employees to whom the Longshoremen's Act has been extended. Numerous other refinements appear to add to the effectiveness and equity of the compensation law, placing this act once more at the top of the list of liberal workmen's compensation legislation.

During the year, legislation proposing liberalization of the compensation law affecting injured Federal employees was reported favorably by the House Committee on Education and Labor, but no further action was taken before Congress adjourned. Factual studies for 1948 indicate that at least 70 percent of Federal employees received annual salaries in excess of the \$2,100 maximum upon which the compensation may be computed under existing law. Recent salary increases granted Federal workers will increase this percentage to a marked degree. The effect of this upon the Federal employee who is injured in the line of duty is to reduce greatly the proportion of compensation received to salary earned at the time of injury. The most pressing need at the present time for injured Federal employees is to revise the 1927 statutory provisions relating to maximum salary

levels upon which compensation benefits are determined, so that the benefits will be geared to current salary levels. It is urged that serious consideration be given to such revision of the Federal employees' compensation law, as this one change, more than any other, will do most to bring a needed relief to injured Federal employees and their dependents.

Another important responsibility of the Federal Security Agency in the field of employees' compensation is administration of provisions of the law relating to accident prevention work. For this purpose the Agency, through the Bureau of Employees' Compensation, maintains a small staff of competent employees for safety consultation work. These safety consultants are available for on-the-job analyses of unsafe acts or conditions which may cause an individual establishment to have an accident record in excess of what its operations would seem to warrant. During the fiscal year 1948, over 1,100 Federal and private establishments under Federal jurisdiction were visited by such consultants, and specific recommendations for improved safety performance were made. Many Federal establishments were able to reduce their casualty rates appreciably. The frequency rate for the entire Federal service was reduced nearly 7 percent and the direct cost of occupational injuries came down almost 6 percent per \$100 payroll.

Notwithstanding such improvement in accident experience, during the fiscal year the Bureau of Employees' Compensation received 259,291 reports of injury, an increase of 2 percent over the figure for 1947. Of this number, Federal employees sustained 80,028 injuries; longshoremen and ship repairmen reported 125,679 injuries; District of Columbia private employees, 30,080; and the Military Base and miscellaneous employments accounted for the remainder, or 23,504. These figures emphasize the need for greater activity in the safety field.

The Bureau of Employees' Compensation disbursed \$13.7 million during the fiscal year 1948, of which \$10.6 million was expended for disability and death compensation, and the remainder for medical and related services. During the same period, gross recoveries amounting to \$1.2 million were made from third parties legally liable for damages in nearly 700 accidents involving Federal employees. The administrative cost of adjudicating claims under the Federal Employees' Act has averaged less than 6.5 percent of benefits paid during the past 32 years, appreciably less than that for like services by private insurance carriers in the workmen's compensation field.

Near the end of the fiscal year the Central Office of the Bureau, which for more than 6 years was located in New York City, was returned to Washington. While this change necessarily caused a

disruption of service due to the loss of experienced personnel and a temporary suspension of operations while the move was in progress, it will in the end prove advantageous to the service.

Summary of Operations

During the fiscal year 1948, nearly 260,000 occupational injury cases were reported to the Bureau of Employees' Compensation. This number included 1,335 fatal injuries. The inflow of new injury cases for 1948 was not only 2 percent higher than that for 1947 but also 128 percent above the comparable level for prewar years.

While the number of injuries to civilian Federal employees decreased appreciably over the 12-month period, there was a noteworthy increase in the total number of such cases being compensated at the end of the year, reflecting administrative action on a large backlog of pending cases. For all other employments, the increase in cases compensated was 9 percent over those in 1947, with the largest increase reported for Defense Base workers and District of Columbia private employees.

Direct disbursements made by the Bureau totaled \$13.7 million during the year 1948, and the evaluation of cases closed under the private employment acts brings the grand total to \$23 million, nearly 59 percent above the prewar level, and substantially the same as for 1947.

During the year the Bureau continued to furnish its beneficiaries with the best medical care obtainable and sought, with material success, to keep controverted cases to a minimum.

United States Employees' Compensation Act

Injuries to Federal Workers

Although no precise figure is obtainable, it appears from information available that as of June 30, 1948, fully 2,100,000 employees were in employments within the purview of the Federal workmen's compensation act. There appears to be little reason to believe that this figure will decrease during the fiscal year 1949.

New Injury Reports

Under this act, 80,028 new injury cases were received during 1948, a decrease of 11 percent from 1947. Significant increases, however,

were recorded for the Executive Office of the President, Department of State, Department of Justice, Post Office Department, Department of the Interior, Department of Commerce, District of Columbia Government, the Tennessee Valley Authority, and the Veterans Administration. The bulk of the decrease centered in civilian employments of the military establishments, but despite the curtailment in receipt of new injury cases, the number reported was 93 percent above the prewar level.

Reopened Cases

Continuation of this level of work far above the prewar level appears even more likely when one considers the problem of reopened cases. Under the Federal Compensation Act, with its unlimited aggregate maximum in any one case, an injury claim is potentially never closed so long as a claimant lives. Claims for additional medical examinations or care, and requests for additional compensation benefits based upon alleged recurrences or loss of earning capacity due to occupational injuries constitute a material and often problematical phase of the work of the Bureau. In this regard the Bureau's problem differs markedly from that of most State administrative bodies or that of insurance carriers handling workmen's compensation, where as a general practice cases are closed permanently upon payment of the award. In the course of a year many thousands of Federal injury cases, after initial handling and closure, require further servicing or action. Approximately 4,100 of these cases during 1948 showed cause for additional compensation because of subsequent disability related to the original injury, and a substantially greater number required further medical care. With over 625,000 injury reports received during the past 5 fiscal years, the importance of this phase of compensation administration can hardly be overemphasized.

Active Cases

All cases close eventually, but there are two classes of cases which seem to remain on the rolls almost interminably. These are the fatal cases with dependents and the permanent injury cases or those with prolonged loss of earning capacity caused by the work accident. Nearly 5,700 fatal cases were on the compensation rolls as of June 30, 1948, and close to 4,000 permanent or long-continuing cases were receiving regular benefits. At least 35 percent of these cases occurred prior to 1935. The low remarriage rate of widows in fatal cases and the physical as well as occupational limitations of the non-fatally injured in this group account in large measure for the prolonged period of administrative attention they require. Other incomplete cases,

including those currently being adjudicated, raised the total of active cases to approximately 32,000 as of June 30.

Accident Prevention

Dollar outlay together with productive time lost from the job is sufficient to show conclusively the possibility of vast savings through prevention of occupational accidents. Over \$13 million was expended by the Bureau during 1948 to provide workmen's compensation benefits to injured civilian employees. This figure is exclusive of property damage and allied indirect costs. Chargeable time lost because of accidents totaled over 3.2 million days of pain and suffering—a reminder that much remains to be done in the field of Federal accident prevention.

The happier side of the picture is to be seen in a short review of achievements. During the year the Federal service brought most occupational casualty rates to an all-time low. The frequency of disabling injuries receded to 7.5 per million man-hours worked, and the direct cost of accidental injuries fell to \$4.30 per employed person. With an employment level well over 2 million workers, 97 percent of the workers finished the year without a reportable injury under the Federal Compensation Act. As a result of safety efforts, the probability of sustaining a disabling injury today in the Federal service is at least 25 percent less than in prewar years.

At present, organized safety programs are in operation in 19 executive departments and independent agencies, as against 8 about a decade ago. The Bureau, pursuant to statutory direction, is actively engaged in assisting the various agencies in eradicating unsafe working conditions and minimizing the prevalence of unsafe work acts of employees. Since 1936 the services of a safety director and a small staff have been available for this purpose. Safety investigations were carried out daily throughout the year, and improvements recorded have been substantial. Precise casualty records are maintained for each of the programs, and factual brochures are distributed with detailed analyses designed to facilitate progress in accident prevention. The Bureau's *Safety Bulletin*, issued quarterly and in its thirteenth volume, reaches thousands of key supervisors and safety engineers actively engaged in on-the-job safety. This Bulletin was awarded a certificate of merit by the National Safety Council as 1 of 15 outstanding publications in promoting safety ideas for the benefit of employees. Safety investigations and consultations exceeded 1,100 last year. Both Federal and private activities under Federal jurisdiction were visited and specific practical recommendations for improved safety performance were made.

Medical Care and Rehabilitation

Probably so long as man must work, industrial accidents will always constitute a problem. Accident prevention, however effective, will still be limited by human and economic adaptability. Labor turnover, new processes, changes in technology, and organizational pitfalls all bring or tend to bring accidents in their wake. When they occur there is but one path open, to expedite recovery for the injured and provide for his restoration into society to a degree commensurate with his aptitudes and abilities.

The Federal Compensation Act wisely places no limitation on medical and hospital services needed as a result of accidental work injuries. Wherever practicable, these services and supplies are furnished by United States medical officers and hospitals. For this purpose the hospitals and dispensaries of the Public Health Service are available without cost, and to a limited extent also hospitals under the control of the Bureau of Indian Affairs. The Army and Navy hospitals are generally used only for the treatment of civilian employees of the Army and Navy departments and are reimbursed from the compensation fund at the rate established for such service.

In localities where the services of United States medical officers are not available, medical treatment is furnished by private physicians designated by the Bureau. These physicians, of whom some 4,000 have been selected throughout the United States, are paid a reasonable fee by the Bureau for services actually rendered. A total expenditure of almost \$2.9 million was made during 1948 from the compensation fund for medical treatment furnished by public and private facilities and for the transportation of employees incident to receiving such treatment. Over 72,000 payments were certified during the year, 78 percent more than the average for prewar years.

Rehabilitation for the injured employee with a permanent physical handicap naturally begins with physical restoration of the injured, and in many cases it commences at the very start of physical recovery. The Bureau cooperates with Federal and State rehabilitation agencies by referring to them injured Federal employees in need of specialized occupational rehabilitation. At the close of the fiscal year 1948, referrals were being issued at a rate of 1,800 per annum. Not a few of these persons were amputees, although most were suffering from functional disabilities of anatomical members or other parts of the body.

Third Party Liability

When accidents occur for which a third party other than the United States appears legally liable, action is initiated by the Bureau

for the collection of damages. During the year, gross recoveries made in 649 cases exceeded \$1.2 million. It is estimated that these recoveries resulted in a saving to the Government of nearly \$560,000, after court costs and attorneys fees, were met. The savings may be distributed as follows: \$425,000 allotted for future compensation benefits; \$35,000 for medical and hospital bills; and \$97,000 as a cash refund to the compensation fund. As of June 30, 1948, there remained 1,562 third party cases pending in the Subrogation Section of the Bureau.

Administrative Costs

Difficult as it is to ascertain the administrative cost of any undertaking, a reasonably valid index for the administration of the Federal Employees' Act, including extensions to relief and foreign employment, may be calculated by taking the costs properly assessable to such act and comparing them with direct benefit expenditures. During the fiscal year 1948 the Bureau expended \$743,268 for administration of this act and in the same period disbursed almost \$13.7 million for benefits. The administrative costs were therefore equivalent to 5.4 percent of such benefits. The figure for administrative costs during the entire 32 years of administration is calculated to be no greater than 6.5 percent.

Applications for Review Filed With Board of Appeals

An appellate procedure was established when the Bureau was established within the Federal Security Agency, effective July 16, 1946. Under such procedure, application may be made to the Employees' Compensation Appeals Board in the Agency for review of a decision by the Director of the Bureau with respect to a claim of an employee of the United States or of the Government of the District of Columbia.

During the fiscal year 1948 the Bureau adjudicated nearly 80,000 Federal compensation cases. During the same period the Bureau received from the Appeals Board notices of the filing of Application for Review in 122 cases. The Bureau filed answers in 104 cases, including 17 cases carried over from the prior year, and at the end of the year 35 cases were on hand awaiting preparation of answers.

Operations Under Emergency Relief Acts

Over 1,730,000 injury cases have been reported under the various emergency relief acts. Included are nearly 16,000 fatal cases. Compensation coverage for such employment began with the Civilian

Conservation Corps Act of March 31, 1933, and was continued by the act of February 15, 1934, for the Federal Civil Works Administration.

It was in 1935, however, that the full force of these emergency relief acts was first felt in the operations of the Bureau. With the emergence in 1935 of the Works Progress Administration and its adjunct, the National Youth Administration, the next 7 years saw an average of 235,000 injury cases per year. Other small groups were covered under emergency situations. All told, over 1,730,000 injury reports were processed. Not until the fiscal year 1943 was there any sharp decline in compensation work-load arising from these activities, and when it came it was overbalanced by peak wartime civilian casualties, under the regular Federal act.

For the most part the books may appropriately be closed for this activity so far as workmen's compensation adjudication is concerned. Nevertheless as of June 30, 1948, there remained 2,716 open cases in the files of the Bureau relative to operations under the various emergency relief acts. Of this number, 2,437 cases, or 90 percent represent instances in which beneficiaries of fatally injured workmen are receiving current compensation payments. The remaining 279 nonfatal cases are mostly of a permanent or long-continuing nature. The administrative duties of the Bureau in effecting prompt compensation payments in these fatal and seriously injured nonfatal cases will continue for several years. The duties of supervising periodic medical examinations, handling reopened cases, making adjustments and additional awards, and completing recoveries from third parties, as well as those of answering inquiries from interested parties will continue to be of appreciable importance.

Operations Under the Longshoremen's and Harbor Workers' Compensation Act

LONGSHOREMEN AND HARBOR WORKERS

The Longshoremen's and Harbor Workers' Compensation Act, approved March 4, 1927, as amended (33 U. S. C. A. 901 et seq.), is the only workmen's compensation law applicable to persons engaged in private employment who are subject to exclusive Federal jurisdiction. When enacted in 1927, it was applied only to employees engaged in maritime employment upon the navigable waters of the United States—such as longshoremen, ship repairmen, service men and other maritime employees. Excluded from the act are the master

and members of the crew of a vessel, and persons engaged by the master to load, unload, or repair a vessel under 18 tons net. The act is administered by the Bureau through deputy commissioners in 13 compensation districts comprising the United States, and the Territories of Hawaii and Alaska.

By the act of May 17, 1928, as amended (45 Stat. 600; D. C. Code 36-501), the Longshoremen's Act with certain modifications, was made applicable to private employers and employees in Washington, D. C., and is known as the District of Columbia workmen's compensation law. The act is administered locally in the District by a deputy commissioner of the Bureau.

By the act of August 16, 1941, as amended (42 U. S. C. 1651 et seq.), the Longshoremen's Act, with modifications, was made applicable to employees of private employers engaged, pursuant to contract with the United States, in the performance of work outside of the United States. This extension of the Longshoremen's Act is known as the Defense Bases Act. It gave protection to employees who were employed at the areas leased from Great Britain, or employed upon lands occupied or used for military or naval purposes in the Territories and possessions of the United States, or employed under "public works" contracts at various places throughout the world.

The Longshoremen's Act, in part, was used in the act of December 2, 1942 (42 U. S. C. 1751 et seq.), to provide benefits for employees of Government contractors, and certain other employees, suffering injury, death, or detention as the direct result of the war. This act also provided for the relief of dependents of employees detained by the enemy.

Liberalized Benefits

On June 24, 1948, under Public Law 757, 80th Congress, the Longshoremen's Act was amended in several material respects, the most important of the changes being as follows:

The maximum compensation for disability was increased from \$25 to \$35 per week, and the minimum compensation for total disability was increased from \$8 to \$12 per week; the maximum allowance for funeral expenses was increased from \$200 to \$400; the compensation to each child of a deceased employee, where there is a surviving wife or dependent husband, was increased from 10 percent to 15 percent of the deceased employee's average weekly wages; upon the death or remarriage of the widow or dependent husband (or where there is no widow or dependent husband) compensation was increased from 15 percent to 35 percent for one child, with 15 percent more for each additional child to be equally divided among them; the maximum of the deceased employee's wages for the purpose of computing death benefits

was increased from \$37.50 to \$52.50 per week and the minimum from \$12 to \$18 per week.

Another amendment increased the maximum total compensation from the former limit of \$7,500 to the new limit of \$11,000, except in cases of death or total disability to which no time or money limitation is applicable. In the cases of permanent partial disability (non-scheduled) the limitation upon maximum compensation is now \$10,000.

Insurance Carriers and Self-Insurers

In addition to the adjudication of claims under the Longshoremen's Act and its extensions, the Bureau also (1) grants authority to certain employers to act as self-insurers in respect to their compensation liability, and (2) authorizes insurance companies to write workmen's compensation insurance under such act and its extensions.

In considering an application for authority to write insurance the Bureau concerns itself principally with the legal sufficiency of the statutory and charter authority of the applicant, the applicant's financial responsibility, the history of its operations, and with the legal sufficiency of the forms of policies, endorsements, and other papers used in the course of its business. Authorizations are on a yearly basis, and as of June 30, 1948, there were 391 such carriers authorized to write workmen's compensation coverage under the Act, an increase of 7 over the previous year. Of this number, 266 were concerned with the Longshoremen's Act, 81 with the District of Columbia workmen's compensation law, and 44 with the Defense Bases Act.

In respect to applicants for the privilege of self-insurance, the elements chiefly observed are the financial responsibility of the applicant, the kinds and hazards of the employment in which employees are engaged, and the past experience of the employer in respect to industrial accidents. Security for the payment of compensation is required of all self-insurers, and the amount of this security is modified from time to time as changes in conditions affect the extent of the employer's liability. As of June 30, 1948, there were 359 self-insurers under the act, the same as for the previous year. Of this number, 268 were authorized under the Longshoremen's law, 71 under the District of Columbia workmen's compensation law, and 20 under the Defense Bases Act.

Judicial Review and Summary of Court Decisions

The decisions of the deputy commissioners under the Longshoremen's Act, and extensions thereof, are not reviewed administratively

by the Bureau. Such decisions are, however, subject to judicial review by the Federal courts.

Judicial review is limited to questions of law; determinations of fact, when supported by evidence in the record, cannot be disturbed by the courts.

The employee or the employer may seek judicial review of a compensation order. The filing of a review proceeding by the employer does not automatically stay payments of compensation; such stay may be granted by the court only upon the basis of a showing of irreparable damage to the employer.

Since the effective date of the Longshoremen's Act (July 1, 1927), some 821 proceedings were filed seeking judicial review of compensation orders under that act in its admiralty application. Under the extension of that act as the District of Columbia workmen's compensation law (effective July 1, 1928) 296 such proceedings were filed; and under the Defense Bases Act extension (effective August 16, 1941) there have been 53 such proceedings.

On July 1, 1947, there were pending 17 cases in the district courts of the United States involving the Longshoremen's Act. During the fiscal year 16 new cases were filed and 24 cases disposed of, leaving nine cases pending on June 30. Twelve Longshoremen's Act cases were appealed to United States Circuit Courts of Appeals, nine were disposed of, and 10 cases remained undecided on June 30.

With respect to the District of Columbia workmen's compensation law, one case was pending on June 30, 1947, four new cases were filed during the year, and three cases were disposed of, leaving two cases pending on June 30. On July 1, 1947, no cases were pending in United States Court of Appeals for the District of Columbia, and during the fiscal year one case was appealed and one was disposed of, leaving no cases pending on June 30.

With respect to the Defense Bases Act, two cases were pending July 1, 1947, four new cases were filed during the fiscal year and three were disposed of, leaving three cases pending June 30, 1948.

The following is a summary of the more important decisions under the Longshoremen's Act or extension of that act:

In *California Ship Service Company v. Pillsbury* (Dist. Ct. Calif.), the court sustained an award to the mother of a deceased employee upon a showing that the latter had made contributions to his mother in the recent past, but had not done so just prior to the injury owing to temporary circumstances which prevented his making contributions.

In *Delta Stevedoring Co. v. Henderson*, the United States Circuit Court of Appeals affirmed a decree of the United States District Court which had sustained an award to the widow of a deceased employee. The court held that the deputy commissioner and not

the court must determine whether the wife's conduct after her separation from her husband was such as to change her status as his wife.

In *Freeman S. S. Company v. Pillsbury* (Dist. Ct. Calif.), the court sustained an award to the widow of the deceased employee. She claimed that she had married the latter by ceremonial marriage performed in Mexico about 20 years before his death. She was unable to obtain a certificate showing such a marriage. The court held in effect that her own evidence was sufficient to prove the marriage and that when the parties lived together as husband and wife for many years, there was the further support of a presumption that they were legally married.

In *Seaboard Marine and Repair Company v. Cardillo*, the United States Circuit Court of Appeals (N. Y.) sustained the action of the deputy commissioner in modifying a previous rejection of claim; in this case, the previous order was based upon a finding that the employer did not have knowledge of the injury, a finding which the deputy commissioner determined was in error and which he modified accordingly.

In *Moore Dry Dock v. Pillsbury* (Dist. Ct. Calif.), the court sustained an award to the widow of the deceased employee, who had married after the latter had deserted her, believing that he had died; the purported remarriage of the wife was held void.

In *Dugar v. Voris* (Dist. Ct. Tex.), the court sustained the rejection of a claim filed by the widow of a deceased employee when the said widow was not living with her husband, or dependent upon him, or living apart from him for justifiable cause or by reason of his desertion; one of those elements was necessary under the law to warrant an award.

In *Bethlehem Steel Company v. Pillsbury, and Iva Cosby* (Dist. Ct. Calif.), the widow of the deceased employee brought an action for the death of her husband against the person (other than the employer) responsible therefor; she compromised said action with the knowledge of the employer but with the understanding that the latter should receive part of the proceeds and that she would withdraw her claim for compensation against said employer. As the Compensation Act provides that no such release or settlement of the right to compensation shall be valid, the deputy commissioner made an award which the court sustained.

In *Belliveau v. Monahan* (Dist. Ct. Mass.), the employee was engaged as a watchman on a vessel at dock and apparently was asphyxiated by coal gas while sleeping in a bunk, the deputy commissioner rejected the claim for compensation upon the ground that the employee abandoned his employment when he went on the vessel to sleep. The court sustained the order.

In *Bethlehem Steel Company v. Pillsbury, and Edward Castine* (Dist. Ct. Calif.), the employee filed claim for compensation and, after several informal conferences, the deputy commissioner estimated the extent of the facial disfigurement sustained by the injured employee, for which the employer paid compensation. The employer had also paid compensation for loss of wage-earning capacity during disability prior to an adjudication as to whether permanent disability resulted from the injury. Subsequently, the employee became permanently disabled and applied for additional compensation. The employer contended that the claim had been disposed of and that the deputy commissioner had no further jurisdiction. The deputy commissioner, notwithstanding this objection, made an award upon the theory that a claim once filed gives the deputy commissioner continuing jurisdiction until all elements constituting the claim have been adjudicated. The court sustained the award.

In *Penn Stevedoring Co. v. Cardillo* (Dist. Ct. N. Y.), the employee was employed as a freight handler. It was his duty to operate a tractor hauling freight from the dock to a car float. While waiting for the freight to be unloaded, the employee proceeded to the end of the car float on which he had been working and thence to a car float which had tied alongside the first float. His body was found between the two floats. It was inferred from the facts that he was on his way back to his place of work when he fell between the floats. The deputy commissioner held that an employee is protected under the Compensation Act even though, during a waiting period, he may not be in the immediate vicinity of his work. The District Court and the United States Circuit Court of Appeals both sustained the award.

New Injuries

Reports received by the Bureau in the fiscal year 1948 cover 128,837 work injuries. Although many of these injuries entail disability of only a minor nature, and a large proportion of the employees recover within the statutory 7-day waiting period, others are far more serious and frequently are permanent in extent. That this is so may be seen by the fact that for cases closed in the fiscal year 1948 some 3.1 million days were lost as a result of work accidents, and it is probable that the total for days lost in 1949 will be almost as high.

Active Cases

On June 30, 1948, there was a total of 9,849 nonfatal and 1,374 fatal cases open in the offices of the 13 compensation districts. In 3,101 nonfatal cases and 1,147 fatal cases, compensation was being paid.

In the nonfatal cases which were open, an estimated \$5.9 million

had been paid as compensation to beneficiaries as of June 30, 1948. The future compensation payable in such cases is estimated at \$4.9 million, indicating a total compensation cost of \$10.8 million for 9,849 nonfatal cases, or \$1,100 per case.

The 1,147 fatal cases upon which payments were being made at the close of the fiscal year included 109 cases approved during that year. The ultimate total cost of these 1,147 cases, including evaluations on pending cases, is estimated at \$7.9 million, or \$6,899 per case. The total amount of compensation payable in the 11,223 nonfatal and fatal open cases is evaluated at \$18.7 million:

Hearings, Field Investigations, Medical Examinations

During the fiscal year 1948, deputy commissioners in the 13 compensation districts completed 580 formal hearings relative to the adjudication of compensation cases. Of the 580 completed hearings, 501 were completed at one session, 64 required two sessions, and only 15 necessitated three or more formal sessions. On June 30, 90 cases were on the hearing docket. During the year, 25,349 informal conferences were held. At these informal conferences, agreements and decisions were reached making it possible with few exceptions to adjudicate these cases without the expense of a formal hearing. Such procedure greatly reduced the number of formal hearings which ordinarily would have been required. During the year it was found necessary to conduct 400 field investigations, and 8,007 medical examinations were ordered by the deputy commissioners.

DEFENSE BASE WORKERS

The so-called Defense Bases Act of August 16, 1941, brought world-wide defense construction and related contractor activities under the scope of the Longshoremen's and Harbor Workers' Act, as amended. In order to provide effective administration of the law, it was necessary to arrange appropriate local administrative facilities where a large number of workmen was involved. However, from the start it was realized that this emergency undertaking might best be accomplished with a few carefully chosen operating facilities, and administrative plans were made accordingly.

These plans included use wherever practicable of existing field offices in the United States to direct operations in areas outside the continental limits. Other than at the headquarters offices for the Caribbean, Pacific, and Southwest Pacific compensation districts, with headquarters respectively in San Juan, Honolulu, and Manila, the small staff of the Bureau assigned to duty outside the United States was limited to technical personnel. Arrangements were made

with military authorities to use their local facilities when practicable for clerical assistance. This practice resulted in substantial savings in administrative costs.

Case Loads

During the 7 years prior to June 30, 1948, a total of 420,714 injury cases was reported, including a total of 1,041 fatal cases. During the current year activity increased to such an extent that nearly two and a half times as many cases were received as were reported in 1947. A total of 23,504 cases was received during the 1948 fiscal year compared with 9,852 the preceding year. About three-fourths of the cases reported during the year originated from Alaska and the Pacific areas. The kinds of cases, their causes, and costs were reviewed in previous annual reports. In general the same relationships held for cases reported during 1948.

War-Risk Hazards Cases

Public Law 784, approved December 2, 1942, placed upon the Bureau the responsibility for the payment of benefits for injury, death, or detention of employees of contractors with the United States and certain other persons, where such injury or detention was approximately the result of a war-risk hazard.

Benefits provided were substantially those included under the Longshoremen's Act, except for detention by the enemy. Detained employees were credited with wages for the period of detention. During their absence the Bureau was authorized to disburse up to 70 percent of the current wage for the support of dependents. The remaining 30 percent was held in trust for the detained employees and paid to them upon repatriation. The total number of detention cases serviced by the Bureau to June 30, 1948, was 1,428. Accumulative payments, including wage accruals, made in these cases as of June 30, 1948, amounted to \$11.8 million, of which \$559,463 related to the fiscal year 1948.

The Bureau has received claims aggregating nearly \$1.5 million from employers and insurance carriers for reimbursement of war-risk losses arising out of the injury or death of contractors' employees. Adjudication of such claims involved the examination of records of the claimants covering each individual case record and determination of paid and incurred liability and the claims expense related thereto.

Applications from employers and insurance carriers for reimbursement for war-risk losses are being audited currently and reserves determined for outstanding liabilities.

Expenses of Administration

Since the appropriation for administrative expenses of the Bureau covers the cost of administration of five laws, and therefore the cost of this law cannot be determined with exactness. A number of employees in the office of the Bureau have duties connected with the administration of each law, and the proportion of the salaries paid to these employees which may be properly chargeable to the Longshoremen's and Harbor Workers' Compensation Act can only be approximated. It is estimated, however, that the expense of administering this law during the fiscal year 1948 was \$511,598. Of this amount an estimated \$471,702 was for domestic coverage of the act and \$39,896 for the coverage of the act as extended to foreign areas. The largest single item of expense was for salaries of employees engaged in the administration of the law, the sum of \$417,158 having been charged to this purpose. Other principal expenditures charged to the administration of this law are \$18,587 for traveling expenses of personnel; \$7,472 for communication service; \$17,999 for rents and utilities for field offices; \$2,705 for printing and binding; and \$47,677 for other contractual services.

INDUSTRIAL WORKERS IN THE DISTRICT OF COLUMBIA

Although precise information is not available on the number of employees of private industries in the District of Columbia, it appears that about 235,000 such workers, employed by nearly 20,000 employers, are covered by the District of Columbia Compensation Act administered by the Bureau.

New Injuries

During the fiscal year 1948 reports of 30,080 injuries were received, including 42 fatal cases, representing a 9 percent increase over the total for 1947. Undoubtedly reflecting increased industrial activity, the closing quarter of the year saw a 44 percent advance over the previous quarter for both the construction industry, and utility industry. There was an equally significant rise in the number of cases received from the communications industry and also from finance. A total of 494,318 injuries including 1,118 fatalities, has been reported under this law during the 20 years it has been in operation.

Active Cases in 1948

Although in a very large percentage of the 30,675 cases closed during the fiscal year 1948 the injury did not cause any loss of time from work beyond the day of injury, many of the disabling injuries were serious in nature and extent. Of the 9,033 disabling injuries, 3,888 cases, or 43 percent, were compensated. Of the compensated cases, 377 cases, or 9.7 percent, involve disability of a permanent nature. In 40 cases awards were made for serious facial disfigurement.

Compensation paid in cases closed during 1948 amounted to \$689,275 for 261,936 days of nonfatal disability. Evaluated cost of 33 fatal cases closed during 1948 amounted to \$202,224.

During the 1948 fiscal year awards were made to 61 dependents in 23 fatal cases. The estimated total evaluation of these cases is expected to reach the sum of \$153,898. In addition to fatal cases in which new awards were made, it was necessary to make 10 modified awards involving 19 dependents on fatal cases previously awarded benefits. It should be noted that all compensation benefit data quoted are exclusive of medical costs concerning which the Bureau is usually not advised.

As of June 30, 1948, a total of 2,689 injury cases remained open representing cases on which final action had not as yet been taken. This represents an increase of 13 percent compared with the preceding year.

Included in this number are 519 nonfatal and 230 fatal cases upon which compensation was being paid. The remaining cases were incomplete and in various stages of adjudication.

Expenses of Administering the District of Columbia Act

The expense of administering this law is paid from funds for the purpose in the annual appropriation for the Government of the District of Columbia and transferred to the Bureau for expenditure. A total of \$123,000 was appropriated for the fiscal year 1948 and the estimated cost of administration excluding general overhead that year was \$94,117 and \$28,000 was held as reserve for contingencies. The amount expended includes \$88,752 for personal services.

Table 1.—Accidental injuries to civilian employees of the Federal Government, July 1, 1946 to June 30, 1948¹

Item	Average 1938, 1939, and 1940	Fiscal year	
		1947	1948
A. Injury cases reported:			
Nonfatal.....	41,265	88,574	79,010
Fatal.....	306	1,457	1,018
Total.....	41,571	90,031	80,028
Index.....	100	217	193
B. Employment coverage.....	920,000	2,100,000	2,100,000
C. Casualty rates:			
Frequency per million man-hours.....	12.68	9.19	7.53
Severity per thousand man-hours.....	1.23	.76	.65
Cost per \$100 pay roll.....	\$0.31	\$0.18	\$0.16
Cost per employee.....	\$5.59	\$4.78	\$4.30
D. Number of injury cases reported by establishment:			
Executive Office of the President.....	6	1,391	1,987
Department of State.....	13	238	266
Department of Treasury.....	1,942	2,583	2,163
Department of Army.....	7,162	19,291	15,456
Department of Air Forces.....	738	7,395	5,114
Department of Navy.....	2,031	12,582	7,563
Department of Justice.....	180	433	458
Post Office Department.....	13,141	23,296	24,045
Department of the Interior.....	3,715	3,727	3,903
Department of Agriculture.....	6,547	4,120	4,001
Department of Commerce.....	704	1,109	1,160
Department of Labor.....	154	110	65
Federal Security Agency.....	340	581	529
Federal Works Agency.....	1,094	1,961	1,718
District of Columbia Government.....	716	627	765
Tennessee Valley Authority.....	1,080	950	1,029
Veterans Administration.....	739	5,987	6,421
All other agencies.....	1,269	3,650	3,385
Total.....	41,571	90,031	80,028
E. Final disposition of injury cases:			
Minor injury cases.....	18,746	30,446	36,123
Disability 1-3 days.....	5,301	12,603	9,435
Covered by leave.....	8,858	22,624	17,215
Compensated, nonfatal.....	5,012	13,079	9,342
Compensated, fatal.....	98	178	758
No dependents, fatal.....	42	89	132
Third party recovery.....	57	89	72
Disapproved.....	2,974	5,468	3,298
All other.....	318	2,980	2,508
Total.....	41,406	87,556	78,883
Index.....	100	211	191
F. Injury cases active at end of year:			
Nonfatal.....	5,599	19,493	24,841
Fatal.....	2,784	7,094	6,940
Total.....	8,383	26,587	31,781
Index.....	100	317	379
Number of cases being compensated at the end of fiscal year:			
Nonfatal.....	2,324	4,848	4,625
Fatal.....	2,720	4,793	5,653
Total.....	5,044	9,641	10,278
Percent of nonfatal cases being compensated.....	41.5	24.9	18.6
Percent of fatal cases being compensated.....	97.7	67.5	81.5
G. Number of cases in which fatal awards were made during year:			
.....	171	1,230	592
Number of widows.....	142	931	382
Number of children.....	219	1,929	672
Number of parents.....	30	22	195
Number of brothers and sisters.....	6	516	219
Number of other dependents.....	5	22	8
Total number of dependents.....	402	3,620	1,476
Average number of dependents per case.....	2.4	2.9	2.5

Table 1.—Accidental injuries to civilian employees of the Federal Government, July 1, 1946, to June 30, 1948¹—Continued

Item	Average 1938, 1939 and 1940	Fiscal year	
		1947	1948
H. 3 basic averages:			
Average evaluation per fatal case.....	\$9,800	\$10,715	\$10,640
Average evaluation per nonfatal disabling injury.....	\$149	\$153	\$161
Average days lost per nonfatal disabling injury.....	38	27	28
I. Disbursements:			
Medical treatment and supplies.....	\$612,433	\$2,126,468	\$2,741,974
Disability compensation.....	1,905,357	4,793,142	5,381,555
Death compensation.....	1,733,374	3,540,265	3,508,937
Burial expenses.....	28,310	40,436	37,780
Lump-sum awards.....	3,806	-----	773,191
Transportation for treatment.....	37,418	60,404	77,067
Embalming and transportation.....	2,808	1,795	4,357
Court Costs.....	785	633	350
Enemy action, Public Law 784.....	-----	3,770,894	559,463
Emergency relief acts.....	6,986,865	699,680	587,451
Total.....	\$11,311,156	\$15,033,717	\$13,672,125
J. Number of payments:			
Compensation.....	132,390	213,550	196,185
Medical and allied expenses.....	40,520	71,686	72,133
Total.....	172,910	285,236	268,318
Index.....	100	165	155
K. Emergency relief cases still active:			
Nonfatal.....	12,419	724	279
Fatal.....	4,173	2,570	2,437
Total.....	16,592	3,294	2,716

¹ Excludes emergency relief acts except when specifically indicated.**Table 2.—Accidental injuries to civilian employees other than regular Federal employees**

Item	Average 1938, 1939 and 1940	Fiscal year	
		1947	1948
A. Injury cases reported:			
Nonfatal.....	71,738	163,778	178,946
Fatal.....	220	288	317
Total.....	71,958	164,066	179,263
Index.....	100	228	249
B. Kinds of employees injured:			
Longshoremen.....	23,089	66,720	66,234
Harbor workers.....	22,170	59,884	59,445
Defense base workers.....	-----	9,852	23,504
District of Columbia private employees.....	26,699	27,610	30,080
Total.....	71,958	164,066	179,263
C. Final disposition of injury cases under the Longshoremen's and Harbor Workers' Compensation Act:			
Number of cases closed:			
Nonfatal.....	46,339	127,970	128,643
Fatal.....	144	216	194
Total.....	46,483	128,186	128,837
Evaluation of cases closed:			
Temporary disability.....	\$1,002,911	\$2,432,808	\$2,524,352
Permanent disability.....	1,097,403	3,811,923	3,968,823
Facial disfigurement.....	17,418	113,370	138,605
Fatal costs.....	262,964	597,294	781,114
Total.....	2,380,696	6,955,395	7,412,894

Table 2.—Accidental injuries to civilian employees other than regular Federal employees—Continued

Item	Average 1938, 1939 and 1940	Fiscal year	
		1947	1948
D. Final disposition of injury cases under the District of Columbia Workmen's Compensation Act:			
Number of cases closed:			
Nonfatal.....	27,615	28,107	30,675
Fatal.....	51	51	55
Total.....	27,666	28,158	30,730
Evaluation of cases closed			
Temporary disability.....	282,894	266,492	275,793
Permanent disability.....	295,0009	370,544	413,482
Facial disfigurement.....	6,645	11,600	10,300
Fatal costs.....	79,800	199,352	202,840
Total.....	664,348	847,988	902,415
E. Final disposition of injury cases under the Defense Bases Act:			
Number of cases closed:			
Nonfatal.....		9,665	23,414
Fatal.....		29	35
Total.....		9,694	23,449
Evaluation of cases closed:			
Nonfatal.....		301,093	718,970
Fatal.....		139,490	168,350
Total.....		440,583	887,320
F. Total number of cases closed.....	74,149	166,038	183,016
Total evaluation of cases closed (this item includes L. & H. workers, D. C., and defense base workers).....	3,045,044	8,243,966	9,202,629
G. Number of fatal awards made during the year:			
L. & H. workers.....	84	101	109
D. C. workers.....	23	16	25
Defense base workers.....		25	47
Total.....	107	142	181
H. Number of cases still active:			
L. & H. workers.....	5,001	12,124	11,223
D. C. workers.....	1,832	2,372	2,689
Defense base workers.....		1,805	2,132
Total.....	6,833	16,301	16,044
Index.....	100	239	235
I. Kind of insurance coverage:			
Number of insurance companies.....	253	384	391
Number of self-insurers.....	422	359	359

Table 3.—Appropriations and expenditures, fiscal years 1944-48

Period covered	Total appropriations	Salaries and expenses		Compensation benefits	
		Total expenditures, all acts, including estimated obligations	Net expenditures, Federal Act, including estimated outstanding liabilities at the end of fiscal year	Total appropriations	Net expenditures
Year ending June 30:					
1944	\$1,695,650	\$1,547,568	\$660,945	\$10,550,000	\$10,495,629
1945	1,821,140	1,602,869	907,000	16,507,872	14,144,300
1946	1,731,864	1,652,738	939,000	23,281,297	16,507,934
1947	1,747,780	1,741,795	959,000	15,074,069	15,033,717
1948	1,500,700	1,460,530	743,268	13,550,000	13,672,125

Table 4.—Trust fund accounts for fiscal year 1948

Longshoremen's and Harbor Workers' Compensation Act:			
Balance, July 1, 1947			\$556,137.98
Cash		\$134,213.27	
Investments		421,924.71	
Receipts fiscal year 1948			30,544.17
Payments under sec. 44 (c) (1)		\$24,000.00	
Interest on investments		6,544.17	
Total			586,682.15
Expenditures			9,155.04
Compensation, sec. 8 (f)		\$1,253.67	
Compensation, sec. 8 (g)		1,471.06	
Prosthetic appliances		4,403.44	
Refund of erroneous collections under sec. 44 (c) (1)		2,000.00	
Transportation		26.87	
Balance June 30, 1948			577,527.11
Cash		\$194,248.96	
Investments		383,278.15	
District of Columbia Compensation Act:			
Balance July 1, 1947			91,033.45
Cash		\$20,267.82	
Investments		70,765.63	
Receipts during fiscal year 1948			9,867.50
Payments under sec. 44 (c)		\$8,000.00	
Interest on investments		1,867.50	
Total			100,900.95
Expenditures			6,451.90
Prosthetic appliances		\$1,451.90	
Refund of erroneous collections under sec. 44 (c) (1)		5,000.00	
Balance June 30, 1948			94,449.05
Cash		\$23,683.42	
Investments		70,765.63	

Table 1. - *Phytophthora blight* on cotton in the United States, 1911-1913

State		1911	1912	1913
Alabama
Arkansas
California
Florida
Georgia
Illinois
Indiana
Iowa
Kansas
Mississippi
Missouri
Nebraska
Nevada
New Mexico
New York
North Carolina
Ohio
Oklahoma
South Carolina
South Dakota
Texas
Virginia
Washington
West Virginia
Wisconsin
Wyoming

Table 2. - *Phytophthora blight* on cotton in the United States, 1914-1916

State		1914	1915	1916
Alabama
Arkansas
California
Florida
Georgia
Illinois
Indiana
Iowa
Kansas
Mississippi
Missouri
Nebraska
Nevada
New Mexico
New York
North Carolina
Ohio
Oklahoma
South Carolina
South Dakota
Texas
Virginia
Washington
West Virginia
Wisconsin
Wyoming